COMMANDERS DIGEST

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SUPERINTENDENTS CONFER—Attending the Tenth Annual Conference of Service Academy Superintendents at the U.S. Military Academy were (from left): Lt. Gen. Thomas S. Moorman, Air Force Academy; RAdm. Arthur B. Engel, Coast Guard Academy; Maj. Gen. Samuel W. Koster, Military Academy; and RAdm. James F. Calvert, Naval Academy.

President Johnson Tells Newsmen Highlights of Honolulu Conference

President Johnson met with newsmen before returning home from the Honolulu conference with President Nguyen Van Thieu of the Republic of South Vietnam, and briefed them on the subjects discussed.

Excerpts from President Johnson's statement follow:

"We discussed the rapidly absorbing infiltrators from the north and how the North Vietnamese are attempting to fill up their units and re-equip those units for what we would assume is another major series of attacks.

"We explored all the information we could find to try to ascertain if the enemy had engaged in any effort to match our de-escalation, as announced in my March 31 speech. We could not find any solid evidence that the enemy had taken such action or intended to take such action in response to my call.

"The President (Thieu) went into some detail in reviewing with me the armed forces of South Vietnam and the substantial increase that had been effected to where it now has reached 675,000. I know you will be interested in that because of the great interest the press has had in the past about the contribution of the South Vietnamese.

"That is roughly about 50,000 more men than the original goal for that time. That is very noteworthy and we were very happy to have the President go into this with us.

"President Thieu predicted that the total will run over 800,000 by the end of 1968, a few months down the road.

"We agreed that having carried out our accelerated schedules of re-equipping the ARVN that we would have to concentrate on upgrading the equipment for the military forces down to the very helmet.

"The Secretary (of Defense Clark

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Harriman Deplores Lack of Response To U.S. Peace Efforts

"The United States took the first steps toward peace by stopping bombardment over most of North Vietnam, and by other restraint. And we are prepared to end even the limited bombardment — at the appropriate time and in the appropriate circumstances," Ambassador at Large W. Averell Harriman, head of the U.S. delegation, said in his opening remarks at the July 3 session of the Paris peace talks.

Noting that three months had gone by since President Johnson took a major step in reducing the level of hostilities, Ambassador Harriman said "It is a deep disappointment to us — and to the world — that, despite this significant effort to move toward peace, we have seen no related response from North Vietnam. We are disappointed, too, that the Democratic Republic of Vietnam uses these conversations primarily for propaganda purposes."

Nevertheless, Ambassador Harriman said, "We will continue to ex-

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FILE YOUR INDEX

Commanders Digest for October 5 will be accompanied by an index of all issues from April 6 through Sept. 28, 1968. The alphabetically listed index will be published every six months and sent to all subscribers. It is suggested that the Digest issues be filed as a reference source on Department of Defense programs and policies.—AFPS

Military Objectives in Food Irradiation Outlined

Today's military objectives in food irradiation are to reduce the burden of refrigeration by providing the armed services with shelf-stable foods which are highly nutritious, organoleptically acceptable and have the taste characteristics of fresh food.

Dr. Edward S. Josephson, Associate Director of the Army's Food Irradiation Program, also told Congress July 18, that flexible, lightweight containers for irradiated food are being developed for further logistical advantage. These objectives "support the primary purpose of our food research and development program; namely, to provide the armed services with the finest quality rations," he said.

Testifying before the Subcommittee on Research, Development and Radiation of the Joint Committee on Atomic Energy, Dr. Josephson pointed out that the ability to produce several radiation sterilized meat, poultry, fin fish and shell fish items of good quality on a laboratory scale has been demonstrated. He said the next step on the road to production on a commercial scale is to attempt to produce pilot quantities of these foods, reduce processing costs, and develop a consumer market.

Dr. Josephson told the committee how an Idaho firm irradiated 200 tons of potatoes in 1967 and stored them in a warehouse well beyond the period when sprouting occurs with untreated potatoes. The potatoes were withdrawn periodically, he said, and shipped to Marine Corps, Army and Air Force installations in California, Washington, Alaska and Guam for consumption. The potatoes scored well within the acceptable range.

In another instance, 40 tons of flour prepackaged in rectangular tin cans were irradiated in Honolulu during 1967. The Army and Marine Corps test results of this flour used in different bakery products indicated that it was no different in baking and acceptability to the consumer from the non-irradiated control.

In his testimony, Dr. Josephson related how, in April 1968, the Food and Drug Administration could not approve an Army petition for irradiation-sterilized ham on the basis that data submitted was insufficient to prove safety. Some of the questions raised by the FDA, he said, cannot be satisfactorily answered either because of lack of data or because different interpretations have been placed on 10 to 15-year-old data.

Therefore, he continued, new studies based on revised protocols are necessary to satisfy current FDA requirements.

"If there were any reservations as to the safety of irradiation processing," he said, "the program would surely not have been carried through to its present state of development. However, it is felt that in order to reassure others of the safety of irradiated foods, the Army is willing to consider the conduct of new studies designed to answer those questions which have been raised and for which answers are not immediately available."

Looking at future plans, Dr. Josephson said the major preoccupation for the immediate future is to prove under the new and more stringent FDA requirements that irradiation sterilized foods are wholesome.

"To define the extent of the research required, the Army with the kind assistance of the AEC is now drawing up a research protocol designed to provide FDA with the information needed to issue a regulation for irradiation sterilized ham. A draft of this protocol will be ready for submission in August 1968 to the FDA for review, comment and concurrence."

Dr. Josephson recognized that future plans are contingent upon the cost for conducting the additional wholesomeness studies and the availability of funds. "On the assumption that the decision will be made to proceed and funds are made available, wholesomeness studies for irradiation sterilized canned ham will commence this fiscal year."

"As funds, personnel and facilities become available," Dr. Josephson said, "wholesomeness studies of other key irradiated foods of importance to the armed services will be conducted."

It is expected that the technology for irradiation sterilized hamburger, corned beef, pork sausage and codfish cakes will be completed in FY 1970. He said the one last remaining experiment needed to complete the technology for these foods is concerned with determining the minimum required irradiation sterilization dose in line with the "12-D" concept for microbiological safety.

Research on irradiated sterilized frankfurters and prefried bacon was begun in FY 1968. As stated in the September 1966 Hearing, Dr. Josephson said, the Army has a firm and pressing need for frankfurters.

On the subject of bacon, he noted that it has been observed that the acceptability of the heat sterilized can prefried bacon now in the feeding system could be improved by reducing the salt content necessary to maintain a bacteriologically sterile product and substitute ionizing radiation in its stead. Irradiated prefried bacon in preliminary laboratory tests is quite acceptable. Because 60 per cent of the initial weight of the bacon is removed through prefrying, prefried bacon has a marked logistical advantage over "regular" irradiation sterilized bacon.

COMMANDERS DIGEST

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Paris Peace Talks

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plore patiently every possibility that may lead toward peace."

Addressing the North Vietnamese, Ambassador Harriman said, "We have noted that at least half of your statements during 10 previous sessions have been devoted to efforts to picture the United States as a violator of the Geneva accords and to portray North Vietnam as the victim of aggression.

"You have gone to the preposterous extent of using that argument to explain away the violence unleashed upon the people of Saigon, Hue, and other urban centers in South Vietnam by the North Vietnamese Army and the Viet Cong, and the consequent deaths and suffering of innocent men, women, and children.

"You have been seeking to justify continued war and further violence.

"In contrast," Ambassador Harriman continued, "the United States, by word and deed, has made it plain that we wish to end the violence in Vietnam and to separate the contending armed forces. The United States has no designs upon the territory of North Vietnam. We do not seek to conquer your people or destroy your government. In South Vietnam we seek no privileged position, no military presence or bases. The United States does not seek a Vietnam permanently divided at the 17th parallel. We will support any arrangements for the reunification of Vietnam that are determined by the people of North Vietnam and the people of South Vietnam through their own free decision.

"Moreover, we will support effective international supervision of arrangements for peace.

"Your interpretation of the Geneva agreement of 1954," Ambassador Harriman said, "is a flagrant distortion of history. It is designed to justify aggression by North Vietnam against South Vietnam. But as you well know, the Geneva conference and the resulting agreements were designed to achive first of all an end to hostilities — a means to separate the contending military forces. . . ."

Continuing his remarks, Ambassador Harriman told the North Vietnamese delegation, "You have alleged that the United States does not subscribe to the sovereignty, unity, independence and territorial integrity of Vietnam. I repeat what has been said, often and explicitly, in official statements by the Government of the United States: We will support any political settlement for the reunification of Vietnam that is based upon the free choice of the people of the North and of the South.

"But surely you must see that reconciliation will only be possible under conditions of peace.

"Despite the aggression deliberately planned and carried out by your government against South Vietnam, you claim to be the injured party. That version of past events is wholly false. We reject it. But even if it were true, could you seriously claim that you have absolutely no obligation to help find the road to peace? Is there nothing you can do — without putting your own security in danger — to help lower the level of violence and to bring about a de-escalation of the fighting? . . .

"The path to peace in Vietnam is clear. The fundamental principles of the 1954 settlement provide the guideposts. We urge that the Democratic Republic of Vietnam take steps now to bring closer the restoration of peace in South Vietnam, to bring closer the day when all external forces have left the South so that people there can make their own path into the future in their own way, free of threats and terror and coercion."

MERCY TRANSPORT—The first USAF C-9A aeromedical airlift twinjet is scheduled for delivery this month to transport sick and injured military personnel between military hospitals in the U.S. Up to 40 ambulatory, 30 litter patients or a combination can be accommodated in the plane on non-stop flights up to 2,000 miles at cruise speeds exceeding 500 mph. The C-9As will be operated by the 375th Aeromedical Wing of the Military Airlift Command.

AF Cost Reduction Goal $397 Million In FY69

The cost reduction goal for the Air Force during FY 69 will be $397 million, it was announced by Lt. Gen. Robert G. Ruegg, Air Force Deputy Chief of Staff for Systems and Logistics.

Gen. Ruegg, who serves as the Program Manager for the Cost Reduction and Management Improvement program within the Air Force, said the goal is about $50 million lower than the amount set in FY 68.

"Each year it seems as though we are being asked to squeeze blood out of a sponge that has long since been wrung dry," the general said. "In view of our critically austere funding situation in FY 69, we might even say that the sponge has become a stone."

But the point to keep in mind, Gen. Ruegg said, "is that cost reduction—particularly in the 'buying only what we need' areas—is tailored to requirements, not dollars."

THE ALLIANCE FOR PROGRESS IN PERSPECTIVE*

There was a period not too long ago when Latin American policy was a makeshift affair, when our chief foreign policy interests focused on virtually every area except the one closest to us geographically, historically and traditionally. Today we are facing up to the harsh reality that Latin America literally stands at the crossroads. Either it will yield its poverty and underdevelopment to the constructive forces of peaceful revolution and change or they will ignite the violent revolution and chaos that are their inevitable successors.

U.S. Policy in Latin America

Our policy is, therefore, no longer a stop-gap action, a hurried response to an explosive situation, but one that has taken its place among this nation's most vital commitments. For we know that by helping Latin America to modernize and become economically stable and viable, we help ourselves, too, and the entire cause of freedom and democracy. Latin America is our testing ground not for tomorrow but today, and it is my conviction that we are now in the right place, at the right time, and with the right program.

We take pride in the fact that the Organization of American States is the world's oldest international organization. But it does not live in the past. Its eyes are on the future, and it well knows that the political security of the Americas can be assured only in a hemisphere of economic and social justice. This is the aim of the Alliance for Progress, and the Charter Amendments to which the United States has officially subscribed, make it possible for the OAS to work more effectively for the attainment of its goals and aspirations. In so doing the OAS will advance the entire cause of international cooperation—peaceful cooperation and change—and a better life for all men and nations no matter what their hemisphere.

Seeking a Better World

As President Johnson has pointed out, the inter-American system "has always been a trail blazer in the quest for a better world."

- It has pioneered procedures for the peaceful settlement of disputes; and there have been no armed conflicts between members of the American Community for more than 30 years.
- It has developed the modern concept of collective security.
- It is pursuing the goal of representative democracy.
- It has inspired the countries of Latin America to present to the world a model for preventing the proliferation of nuclear weapons.
- It is demonstrating that nations can put aside historic fears and sectional rivalries to work together for their common good.

The Alliance for Progress has its roots in this work and in the yearnings of the Latin American people for economic and social justice. And in the final analysis, our policy in Latin America will be judged by how closely and successfully we identify ourselves with these yearnings of a people seeking to live in freedom and with dignity.

U.S. Policy Guidelines

This is what we seek, too, and in pursuit of it our policy has developed certain fundamental guidelines:

- It is a policy which places us at the side of the people of Latin America as they take the leadership in building a new society.
- It is a policy which recognizes that the problems faced by the people of New York, Chicago and Los Angeles differ only in degree from those confronting the people of the large cities of Latin America; and that the Alliance must, therefore, be part of a continent-wide effort in which the people of all the countries—North and South alike—learn from each other even as they help each other.
- It is a policy which emphasizes multilateral cooperation, such as reflected in our work with the OAS' Inter-American Committee of the Alliance for Progress, or CIAP (as it is known from its initials in Spanish)—laying down criteria for the allocation of Alliance funds, including our own.
- It is a policy which recognizes that so long as there remain in the Americas people without jobs, families without roofs, children without schools, the challenge remains unmet.
- It is a policy which seeks to make education the deep concern of all, recognizing, in the words of Thomas Jefferson, "that a nation which seeks to be both ignorant and free, seeks what never was and never can be."
- It is a policy which extends to the political sphere, too; and United States policy toward Cuba, for example, adheres to the hemisphere policy shaped by the OAS at several meetings of foreign ministers since 1961.
- It is a policy which over and above the Alliance seeks to broaden the base of friendship, as in the fulfillment of the Chamizal Agreement with Mexico or the effort to find an amicable basis for resolving our problem with Panama.
- It is a policy which seeks to resolve disputes by peaceful means, and to find a way that will avoid unnecessary military expenditures which divert resources from urgent social and economic purposes.
- It is a policy which, in the words of President Johnson, "calls for revolutionary change—within a democratic framework—of economic, social and political institutions to permit the full participation of the people in all aspects of national life."

A Plan for Revitalization

Thirteen months ago, President Johnson met with the Presidents of the American Republics at Punta del Este to help revitalize the Alliance program and chart new directions for it. At that time the President said:

- "We will modernize the living conditions of our rural populations, raise agricultural productivity in general, and increase food production for the benefit of both America and the rest of the world."
- "We will vigorously promote education for development," and "We will harness science and technology for the service of our peoples."
- "We will lay the physical foundations for Latin American economic integration through multinational projects."
- "Latin America will create a common market."
- "We will join in efforts to increase substantially Latin American foreign-trade earnings."

A Year's Progress

Food production in Latin America during 1967 showed an overall increase of 6 percent over 1966, with farms producing food at twice the rate of new mouths to feed.

The Inter-American Cultural Council has approved a program and Special Fund to modernize teaching methods in Latin America, and to forge regional cooperation in science and technology for development; since the Alliance, central and federal government outlays for education in Latin America have increased by more than 50 percent.

Additional resources for the Inter-American Development Bank and the Central American Bank for Economic Integration have enabled these institutions to finance more roads, power projects and telecommunications to draw the people of Latin America closer together. And just the other day five nations agreed to work together to develop the vast area drained by the Rio de la Plata, an agreement of vast importance and implications for the future.

With the organization of the Andean Development Corporation, the Governments of Bolivia, Chile, Colombia, Ecuador, Peru and Venezuela have taken an important step toward a Common Market for all of Latin America.

The Central American Common Market and the Latin American Free Trade Area have established a consultative mechanism looking toward gradual combination of the two trading areas in the Latin American Common Market.

The International Coffee Agreement, further strengthened by the creation of a Coffee Diversification Fund, holds the promise of protection against disastrous price fluctuations.

The Inter-American Export Promotion Center, by stimulating the sale of Latin American manufactured products, will increase foreign-trade earnings and thus provide more jobs and higher income for more people.

Overall Accomplishments

- Since 1961 the United States has put $7 billion, $700 million at the service of the Alliance or 6.7 percent of the total Alliance investment; and our share has been 35 percent higher per annum in the last 4 years than during the first 3.
- In the past 4 years also, the average per capita growth rate in Latin America has more than doubled, from nine-tenths of 1 percent to two and two-tenths percent.
- The enrollment in primary schools has increased by almost 12 million students, a 50 percent increase over pre-Alliance days; in secondary school enrollment it is up by 100 percent, or close to 2 million students.
- Nearly half a million land titles have already been distributed and about 700,000 families have been settled or resettled since 1961 in colonization or land-titling programs.
- In 7 years more than 25,000 additional miles of roads were paved in 18 republics, a 58 percent increase over pre-Alliance years.
- Tax collections, which rose $489 million in the 1961 through 1963 period, increased . . . to nearly $3 billion during the 1964 to 1967 period.

There is no question that the Alliance has a long way to go before it accomplishes its goals of providing a better life for Latin America's growing population—that much more must be done to meet the needs of education of the young and to eliminate adult illiteracy—that progress in agrarian reform has been mixed and that there must be greater accomplishments in agricultural production to keep up with the population increase—that there is a dire need for more housing units to cope with urban blight. Here and in so many areas needs keep growing and the people of Latin America, as they know, must intensify their efforts to meet them.

A Self-Help Program

The Alliance, therefore, must not be looked upon as any bilateral United States aid program. It never was an aid program to begin with, but much rather a revolutionary, cooperative self-help program to be carried out by the Latin Americans themselves. In the past 7 years, for example, the gross investment in Alliance programs has totaled $115 billion. Of this amount, 88 percent has been invested by the Latin Americans themselves, with the rest being divided between the United States and other sources.

In short, the self-help feature of the Alliance is stronger than any program of assistance anywhere in the world, and this, I believe, is the least known fact about the Alliance not only in the United States but in Latin America as well. Yet we should know it and we should understand, therefore, that the Alliance stands today not as any symbol of a handout from a rich neighbor to a poor one but as the symbol of friendship and understanding between equals, the unfurled banner of our mutual aspiration for human worth.

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* *Excerpts from a recent address by Ambassador Sol M. Linowitz, U.S. Representative to the Organization of American States.*

THE WHITE HOUSE

MEMORANDUM FOR THE PRESIDENT

FROM SECRETARY OF DEFENSE CLARK M. CLIFFORD

Today marks the 20th anniversary of President Truman's 26 July 1948 order to desegregate the Armed Forces. The program launched 20 years ago has made extraordinary progress.

Twenty years ago, the Army had 1,306 Negro officers, with only one a colonel. Now there are 5,637, of whom 27 are colonels, and one has been nominated to become a brigadier general.

The Navy in 1948 had only 4 Negro officers, now it has 330.

The Marine Corps, which had one Negro officer in 1948, now has 180.

In 1948 the Air Force had 310 Negro officers, with one a colonel. Today it has 2,417 with 19 colonels and a lieutenant general.

There were just 14 Negroes at the Service academies in 1948. Today there are 116, of whom 47 entered as plebes earlier this month.

In the enlisted grades there has been the same kind of heartening breakthrough in opportunity to advance on merit alone.

For example, Negroes made up 10.7% of all Army enlisted men in 1948 but only 5.7% of the top enlisted grade. In 1968 the overall percentage is 12.1%, but now Negroes make up 13.9% of the grade which corresponds to 1948's top grade.

In 1948 there were seven enlisted grades. Today there are nine, which makes comparisons difficult. So we examined the spread of Negroes through all nine grades at the end of 1962 and the end of 1967. In that recent five year period the percentage of Negroes increased—in some instances more than twofold—in each of the top four grades in all four of the Military Services. The numbers of Negroes increased in the top five grades of all Services.

Equality of treatment and opportunity without regard to color is a fact in the Armed Forces of the United States. For most of our country's history, the opposite unfortunately was the case.

Piecemeal desegregation started in World War II, but it was not until President Truman's courageous and dedicated order of public commitment to equality in the Armed Forces in 1948 that real change began. By 1955 all formal racial discrimination had been eliminated, although vestiges lingered into the early 1960's.

In 1962 President Kennedy established a Committee on Equal Opportunity in the Armed Forces. A year later the report of that committee led to the issuance of a Defense Directive which for the first time squarely enunciated a policy against off-base as well as on-base discriminatory treatment of servicemen.

By 1967 it was apparent that while many forms of shameful off-base treatment of Negro servicemen had been eliminated or substantially ameliorated, housing discrimination in some communities near military installations continued to have a corrosive and damaging impact on black Americans wearing this country's uniform. As a consequence, military effectiveness was impaired.

In 1963 the Defense Department had stopped accepting rental listings from civilian landlords who refused to treat all men and women in uniform on an equal basis. A year ago commanders were told to seek out landlords and to urge them to rent to all servicemen without regard to color, pointing out that if they refused to deal with all servicemen fairly, then no servicemen would be authorized to deal with them.

Only 30% of the landlords nationwide were on our non-discriminatory housing lists a year ago. Now 84% are. This has meant a gain of nearly 630,000 rental units open to all servicemen in all parts of our nation.

We are determined to push forward

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Negro Participation in the Armed Forces
FY 1949 - CY 1967

	FY 1949			31 Dec 1967		
	Total	Negroes	%	Total	Negroes	%
07 & above	868	0	0.0	1,330	1	0.1
06	7,953	2	0.02	17,547	47	0.3
05	17,693	14	0.1	43,095	534	1.2
04	26,493	56	0.2	67,392	1,742	2.6
03	53,752	333	0.6	111,313	2,484	2.2
02	60,763	919	1.5	62,093	1,309	2.1
01	15,215	250	1.6	80,726	1,605	2.0
WO	8,688*	63	0.7	24,582	613	2.5
Total	191,425	1,637	0.9	408,078	8,335	2.0
E-9				16,390	448	2.7
E-8				42,563	2,352	5.5
E-7	98,407	2,149	2.2	144,421	11,607	8.0
E-6	89,494	3,703	4.1	281,808	34,445	12.2
E-5	148,669	8,677	5.8	473,641	55,580	11.7
E-4	212,848	16,867	7.9	733,903	71,641	9.8
E-3	303,416	31,165	10.3	691,646	57,463	8.3
E-2	445,754	30,033	6.7	329,267	31,802	9.7
E-1	111,129	12,901	11.6	268,466	29,702	11.1
Total	1,409,717	105,495	7.5	2,982,105	295,040	9.9
Grand Total	1,601,142	107,131	6.7	3,390,183	303,375	8.9

* Warrant Officer statistics for the Air Force for FY 1949 not available. All FY 1949 statistics as of 30 June 1949 except Marine Corps which are as of 28 Feb.

Army Major General Nominations Announced

President Johnson has nominated a list of 34 officers to the Senate for confirmation for promotion to major general. The zone of consideration included all Army promotion list officers serving in the grade of brigadier general as of June 24, 1968.

Nominated were:

Andrew P. Rollins, Jr., CE; William T. Bradley, CE; Salve H. Matheson, INF; Karl W. Gustafson, MPC; William R. Desobry, ARMOR; Leo H. Schweiter, INF; John L. Klingenhagen, TC; Walter J. Woolwine, QMC; Ralph L. Foster, ARMOR; Herron N. Maples, ARTY; John F. Freund, ARTY.

Also, Leo B. Jones, ARTY; William A. Knowlton, ARMOR; Jack J. Wagstaff, INF; Linton S. Boatwright, ARTY; Hugh F. Foster, Jr., SC; Donald H. McGovern, INF; Orwin G. Talbott, INF; Kenneth L. Johnson, INF; Willard Roper, CE; Albert E. Milloy, INF.

Also, Donn R. Pepke, INF; Willis D. Crittenberger, Jr., ARTY; Harris W. Hollis, INF; Francis P. Koisch, CE; Robert B. Smith, ARTY; William J. Durrenberger, ORD; James L. Baldwin, INF; Morgan G. Roseborough, ARMOR; Edward Bautz, Jr., ARMOR; Jack C. Fuson, TC; William H. Blakefield, INF; Elvy B. Roberts, INF; George S. Beatty, Jr., INF.

White House

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with our campaign to achieve 100% housing justice for all servicemen. We have stated that no other goal is acceptable. I announced in June that beginning in August the sanctions which have imposed in certain areas on discriminatory landlords will be extended throughout the country wherever we have military bases.

The men and women of the Armed Forces have shown over the last twenty years that full equality of opportunity for white and black together is not just a dream, but that it can be made a reality. We shall be unrelenting in preserving and extending that reality.

HOMEWARD BOUND—President Nguyen Van Thieu of the Republic of Vietnam is greeted at Andersen AFB, Guam, as he returns to his country from the Honolulu conference with President Johnson. Left to right are: Brig. Gen. John W. Kline, Vice Commander, 3rd Air Div.; Captain John E. Mishan, Commander, Naval Forces Marianas; and Lt. Gen. Alvan C. Gillem II, Commander, 3rd Air Div.

Honolulu Conference

(Continued from Page 1)

M. Clifford) and General Wheeler (Chairman of the Joint Chiefs of Staff) are now working on plans to that end.

"President Thieu, with pride, told me of the great progress of the new government, including not only the efforts in the field of mobilization, but increased taxes.

"He discussed the unified defense in Saigon, the rapid introduction of new rice seeds and reviewed with me a good many other developments since we last met.

"We have seen and heard a good many rumors and we know there are rumor mills. I would just like to make one reference to them. Most of the rumors—all that I have heard—were not in our discussions at all.

"Summarized, I would say this: We are resolutely determined to continue to pursue every avenue that might lead to peace, and the two Presidents are in full agreement and are cooperating fully with our Foreign Ministers and our negotiators to that end.

"At the same time, we are equally determined to defend South Vietnam as their explorations go forward.

"Of course, we hope always for the best, but we will be prepared for the worst.

"I now take great pleasure in saying to you that we think it was a good, working, understanding conference. There were no great differences that appeared. There were no points of division.

"We both understand each other reasonably well. The conference was not very exciting in that there is nothing for you to report in the way of fighting among us or division among the allies.

"The big rumors about meeting here to discuss stopping the bombing or to pull out or to do these things are just pure absolute tommyrot and fiction. They are not the product of either President and they never appeared in any of our discussions at any time."

PROMOTED—President Johnson has nominated RAdms. David C. Richardson (left) and James W. O'Grady, USN, for appointment to the grade of vice admiral. Adm. Richardson, now serving as Assistant Deputy Chief of Naval Operations for Air, will assume command of the Mediterranean-based Sixth Fleet. Adm. O'Grady, currently Director, Politico-Military Policy Div., Office of the Chief of Naval Operations, will become Chief of Staff, Supreme Allied Commander, Atlantic, Wash., D.C.

President Seeks Increased Effort In Government Cost Reduction

President Johnson noted July 23 that it was just three years ago that he initiated a government-wide program to reduce costs and improve management.

"The results of that program show some results," the President said, "but there are special reasons why we now need to do much more."

The resources available to the federal government are never unlimited. There simply is not enough to do all the things that should be done, he explained. Cost reduction is a positive force that enables us to accomplish more of our programs within the resources that are available.

"On June 28 I signed Public Law 90-364," the President said, "which requires significant program readjustments. The federal government must reduce spending and lending by at least $6 billion below my original estimates for fiscal year 1969.

"It will also be necessary to restrict hiring until total civilian employment in the executive branch is reduced to its June 1966 level.

"I have asked the heads of the departments and agencies to make every dollar go further; to make sure every federal employee is being used in the most effective way possible. The vast majority of the employees of the federal government are not in Washington. For the most part, our programs are carried out, and our costs are incurred by employees who are out in the countryside and cities. These field operations provide a great opportunity for cost reduction."

President Johnson said he was pleased with what members of the Federal Executive Boards have done, working together, to reduce costs.

"Such things as sharing data processing resources and conference rooms, libraries, reproduction facilities and motor vehicles all have been instrumental in helping us get more program results out of our resources.

"Recently you have been improving your ability to act in concert to carry out joint public programs. Greater coordination among agencies in the field is essential to efficient program execution."

President Johnson said that more than ever, the continued strength of this country depends upon our ability to provide for national security, to meet our international obligations, and to pursue important endeavors here at home within budget limitations that will enable us to maintain a sound and healthy economy. To do this, he said, your country is depending on you to reduce expenditures by finding better and less costly ways to accomplish what we have to do.

Change Expected In Freedom Share Redemption Method

Federal legislation is expected in the near future which will allow the redemption of United States Savings Notes (Freedom Shares) by any financial institution.

At present, Freedom Shares cannot be redeemed by financial institutions other than Federal Reserve Banks or their branches.

On June 1, Freedom Shares began paying 5 per cent interest and may now be purchased at banks in combination with Series E Bonds. In the past, Freedom Shares were only sold through payroll savings plans, and the bond-a-month plan at banks.

Current holders of Freedom Shares desiring to redeem them may present their shares to any bank where the holder is known for certification on the reverse side of the bond. The certified Freedom Shares should then be forwarded for redemption either to the nearest Federal Reserve Bank, or branch, or to The Treasurer of the United States, Washington, D. C. 20220.

In overseas areas Freedom Shares may be presented to U. S. military banking facilities or branches of U. S. banks for the required certification. The certified Freedom Shares should then be forwarded for redemption either to the Federal Reserve Bank of New York, N. Y. 10045; the Federal Reserve Bank of San Francisco, San Francisco, Calif. 94120, or to The Treasurer of the United States, Washington, D. C. 20220.

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